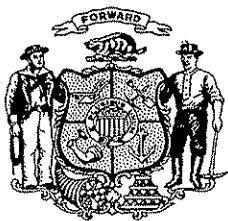


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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Mark Miller
Representative Mark Pocan

Date: February 16, 2010

Re: Department of Children and Families Monthly Report on the Wisconsin Shares Program

Attached is a report on the Wisconsin Shares program from the Department of Children and Families.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

MM:MP:jm

Jim Doyle
Governor

Reggie Bicha
Secretary



State of Wisconsin
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February 16, 2010

Honorable Mark Miller, Senate Co-Chair
Joint Committee on Finance
Room 317 East, State Capitol
Madison, WI 53702

Honorable Mark Pocan, Assembly Co-Chair
Joint Committee on Finance
Room 309 East, State Capitol
Madison, WI 53702

Dear Senator Miller and Representative Pocan:

Below and attached please find information related to your request for monthly reports to the Joint Committee on Finance on the Department of Children and Families' (DCF) progress with fraud prevention and investigation and overpayment collections related to the Wisconsin Shares program. Data in this fourth monthly report covers January 2010 activities.

As you know from our previous reports, the Department has established criteria that help us to identify anomalies in provider attendance reporting, payment patterns and licensing requirements that we then use to develop focused reviews for program violations. We continue to suspend providers based on use of this information, together with referrals from law enforcement, parents, and current and former employees of fraudulent providers.

The Department's investigation protocols are being reviewed and refined on a weekly basis as we gain more experience with the audit process and the use of Unemployment Insurance records and Department of Revenue tax records. Following is a summary of January activity.

Wisconsin Shares Fraud Prevention, Detection and Recovery Expenditures, January 2010

Expenditures related to fraud prevention and investigation: \$120,100

The above amount represents the January 2010 costs of the Child Care Fraud Detection and Investigation Unit; information technology programming costs; and an estimate of the child care/TANF portion of costs related to state public assistance fraud and program integrity staff.

Expenditures related to recovering overpayments due to error or fraud: \$44,450

The January 2010 expenditures related to recovering overpayments due to error or fraud are estimated above. The Public Assistance Collections Unit (PACU) of DCF coordinates

Senator Mark Miller
Representative Mark Pocan
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the Department's efforts to collect public assistance overpayments, including Wisconsin Shares, which are attributed to participant error or fraud.

Overpayment and/or restitution collected by DCF: \$372,570

In January 2010, DCF collected \$288,045 in child care overpayments that were the responsibility of the individual for whom the child care subsidy was paid plus \$84,525 in child care overpayments that were the responsibility of child care providers. These collections are the result of ongoing efforts to recover historical overpayments. Most collections to date are due to DCF as a result of an administrative finding that an overpayment has occurred.

Overpayment and/or restitution collected by other agencies: \$0

No overpayments and/or restitution collections have been reported by other agencies in January 2010 to DCF. As previously noted, PACU, through a broad range of collection tools including tax refund intercepts and administrative liens and levies, is the State's primary collection agency for public assistance overpayments.

Providers Suspended from the Wisconsin Shares Program, January 2010

During the month of January, DCF suspended payments to seventeen child care providers. The enclosed list shows sixteen providers suspended from the Wisconsin Shares program based on reasonable suspicion of fraud and one suspended due to a pending felony charge substantially related to the care of children.

Of the seventeen suspended providers, fifteen were in Milwaukee County and one each from Ashland and Dane Counties. The Department continues to review the details of Milwaukee County suspensions with the Child Care Anti-Fraud Task Force.

During January a total of \$187,048 in overpayments were established in the Department's tracking system against all suspended providers. The cumulative total for overpayments established against suspended providers from January of 2009 to date is now \$2,405,871.

I believe these monthly reports show that the legislative spotlight on the Wisconsin Shares program is paying dividends to the citizens of Wisconsin, and I appreciate this opportunity to share with you the progress being made.

Sincerely,



Reggie Bicha
Secretary

cc: Michael Morgan, Department of Administration
Bob Lang, Legislative Fiscal Bureau

Wisconsin Shares Provider Suspensions
January 2010

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Babes in Joyland	Milwaukee	01/30/2010	DCF suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. These were identified through quantitative data showing the provider serving 1.74 children per licensed slot. After reviewing attendance records, significant inaccuracies were noted, causing overbilling and a failure to maintain and submit accurate attendance records as required by the Shares program. Provider also billed for one week when the provider stated the day care was closed.	Yes	Overpayment establishment pending per formal investigation completion	Yes	N/A
Beneficent Family Child Care	Milwaukee	01/30/2010	DCF suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. The Department has received evidence that 1) the provider billed the Wisconsin Shares program for the entire authorized hours for all children when the children were not actually in the provider's care; and 2) the provider billed for 8 preschool aged children who very rarely attended, but billed as full-time.	Yes	Overpayment establishment pending per formal investigation completion	Yes	N/A
Cleopatrick Marks	Milwaukee	01/16/2010	DCF suspended this child care provider from the Wisconsin Shares program due to a pending criminal charge of the certified provider for a crime substantially related to the care of children. The provider is charged with selling illegal drugs to undercover police officers on multiple occasions out of her certified day care.	Yes	Overpayment establishment pending per formal investigation completion	No	N/A

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
God Bless the Children Child Care	Milwaukee	01/30/2010	DCF suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. These were identified through quantitative data showing the provider billed for over \$15,000 annually per child and serving 2.5 children per licensed slot. The Department has received evidence that the provider billed the Wisconsin Shares program for 5 children between September 2008 and November 2009 when those children were not actually in the provider's care during all of the hours the provider reported to the Shares program.	Yes	Overpayment establishment pending per formal investigation completion	Yes	N/A
Grisby's Child Development Center	Milwaukee	01/23/2010	DCF suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. These were identified through quantitative data showing the provider billed for over \$13,735 annually per child and serving 2 children per licensed slot. In reviewing the provider's attendance records, significant inaccuracies were noted, causing overbilling for children and a failure to maintain and submit accurate attendance records as required by the Shares program. The provider has also been terminated from the State's CACFP program.	Yes	\$19,451.17	Yes	None to date

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Hannah's Child Dev Learning Ctr Inc	Milwaukee	01/16/2010	DCF suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. After reviewing attendance records, significant inaccuracies were noted, causing overbilling for children. An overpayment of \$2,248.66 was established for failing to maintain and submit accurate attendance records as required by the Shares program.	Yes	\$2,248.66	Yes	None to date
Kristin Smith	Dane	01/16/2010	DCF suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. A review of records showed significant inaccuracies and missing records. An overpayment of \$5,902.35 was established for failing to maintain and submit accurate attendance records as required by the Shares program.	Yes	\$5,902.35	No	None to date
Learning and Leadership CDC	Milwaukee	01/23/2010	DCF suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. These were identified through quantitative data showing the provider billed for over \$22,076 annually per child and serving 5.25 children per licensed slot. Significant inaccuracies were noted in attendance records, causing overbilling and a failure to maintain and submit accurate attendance records as required by the Shares program. The Department was also unable to gain access to the day care during stated hours of operation.	Yes	\$7,806.47	Yes	None to date

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Escalated	Referred to Law Enforcement	Collection
Learning and Leadership CDC 2	Milwaukee	01/23/2010	DCF suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. In reviewing the provider's attendance records, significant inaccuracies were noted, causing overbilling for children and a failure to maintain and submit accurate attendance records as required by the Shares program. The provider submitted Wisconsin Shares subsidy claims when they were not actively licensed or certified as a child care provider. The provider violated licensing statutes and administrative rules by caring for too many children without being certified or licensed to do so.	Yes	\$3,036.21	Yes	None to date
Little Wonders	Milwaukee	01/16/2010	DCF suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. These were identified through quantitative data showing the provider billed for over \$16,600 annually per child and serving 3.125 children per licensed slot. The provider was unable to provide a complete period of attendance records. In reviewing the provider's attendance records, significant inaccuracies were noted, causing overbilling for children. An overpayment of \$16,982.59 was established for failing to maintain and submit accurate attendance records as required by the Shares program.	Yes	\$16,982.59	Yes	None to date

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Miss Essie Mae I CC	Milwaukee	01/30/2010	DCF suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. The Department has received evidence that the provider billed the Wisconsin Shares program for 2 families between 1/1/2009 and 9/1/2009 when those children were not actually in the provider's care.	Yes	Overpayment establishment pending per formal investigation completion	N/A	
My Glorious Angels Child Dev Center	Milwaukee	01/30/2010	DCF suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. These were identified through quantitative data showing the provider billed for over \$11,900 annually per child and serving 3 children per licensed slot. The Department has received evidence that the provider billed the Wisconsin Shares program for 2 families in January 2010 and another family on weekends when those children were not actually in the provider's care.	Yes	Overpayment establishment pending per formal investigation completion	N/A	
Rhonda Moss	Milwaukee	01/30/2010	DCF suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. The provider was convicted as a participant in 2008 for failing to have an approved activity thus disqualifying the participant from receiving Wisconsin Shares subsidies. The Department established an overpayment in 2008 for \$10,800.	Yes	Overpayment establishment pending per formal investigation completion	N/A	

Child Care Provider	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Safe Haven Day Care	01/16/2010	DCF suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. These were identified through quantitative data showing the provider billed for over \$13,200 annually per child and serving 2.5 children per licensed slot. A review of records showed significant inaccuracies, causing overbilling. An overpayment of \$1,008.48 was established for failing to maintain and submit accurate attendance records as required by the Shares program.	Yes	\$1,008.47	Yes	None to Date
Spirit of Truth Child Learning Center	01/16/2010	DCF suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. The provider was unable to provide a complete period of attendance records. A review of records showed significant inaccuracies, causing overbilling. An overpayment of \$2,163.78 was established for failing to maintain and submit accurate attendance records as required by the Shares program. The Department was also unable to gain access to the day care center during the provider's stated hours of operation on two occasions.	Yes	\$2,163.78	Yes	None to Date
Stephanie A Tutor	Ashland	DCF suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. In reviewing the provider's attendance records, significant inaccuracies were noted, causing overbilling for children.	Yes	Overpayment establishment pending per formal investigation completion	No	N/A

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Tijuana Odom	Milwaukee	01/30/2010	DCF suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. The Department was unable to gain access during reported hours of operation on 1/25/10. The Department has received evidence that the house certified to provide day care was foreclosed on 12/16/09 and the provider continued to bill the Wisconsin Shares program after the foreclosure.	Yes	Overpayment established pending per formal investigation completion	No	N/A